

Assembly Bill No. 1716

Passed the Assembly April 16, 2007

Chief Clerk of the Assembly

Passed the Senate June 28, 2007

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2007, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 884.5 of the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

AB 1716, Committee on Utilities and Commerce. Telecommunications: California Teleconnect Fund Administrative Committee Fund.

Existing law establishes the California Teleconnect Fund Administrative Committee Fund in the State Treasury, and provides that moneys in the fund, collected by telephone corporations in utility rates authorized by the commission and deposited into the fund, may only be expended for the purposes authorized, upon appropriation in the annual Budget Act. Existing law requires the commission to develop, implement, and administer a program to advance universal service by providing discounted rates to qualifying schools, libraries, hospitals, health clinics, and community organizations. Existing law requires, for all customers eligible to receive discounts for telecommunications services under the federal Universal Service E-rate program (E-rate discounts), with the exception for certain necessary small schools, as defined, that also apply for discounts on telecommunications services provided through the California Teleconnect Fund program (teleconnect discounts), that the teleconnect discount be applied after applying the E-rate discount, as defined. Existing law requires the commission to require, as a condition of participation in the California Teleconnect Fund program, that customers eligible for the E-rate discount provide the commission with information necessary for the commission to determine the percentage of the E-rate discount to which the customer would be entitled.

This bill would amend the exception for necessary small schools to instead make it applicable to certain small school districts, as specified, and would delete the requirement that customers eligible for the E-rate discount provide the commission with information necessary for the commission to determine the percentage of the E-rate discount to which the customer would be entitled. The bill would change references to “the” E-rate discount to “an” E-rate

discount, and would amend the definition of “E-rate discount” to authorize the commission to use an actual E-rate discount or a representative discount figure, as determined by the commission.

The people of the State of California do enact as follows:

SECTION 1. Section 884.5 of the Public Utilities Code is amended to read:

884.5. (a) This section shall apply to all customers eligible to receive discounts for telecommunications services under the federal Universal Service E-rate program administered by the Schools and Libraries Division of the Universal Service Administrative Company that also apply for discounts on telecommunications service provided through the California Teleconnect Fund Administrative Committee Fund program pursuant to subdivision (a) of Section 280.

(b) A teleconnect discount shall be applied after applying an E-rate discount. The commission shall first apply an E-rate discount, regardless of whether the customer has applied for an E-rate discount or has been approved, if the customer, in the determination of the commission, meets the eligibility requirements for an E-rate discount.

(c) Notwithstanding subdivision (b), the teleconnect discount shall be applied without regard to an E-rate discount for any school district that meets the conditions specified for compensation pursuant to Article 4 (commencing with Section 42280) of Chapter 7 of Part 24 of the Education Code, unless that school district has applied for, and been approved to receive, the E-rate discount.

(d) In establishing any discount under the California Teleconnect Fund program, the commission shall give priority to bridging the “digital divide” by encouraging expanded access to state-of-the-art technologies for rural, inner-city, low-income, and disabled Californians.

(e) As used in this section:

(1) “E-rate discount” means an actual discount under the E-rate program, or a representative discount figure as determined by the commission.

(2) “E-rate program” means the federal Universal Service E-rate program administered by the Schools and Libraries Division of the Universal Service Administrative Company.

(3) “Teleconnect discount” means a discount on telecommunications service provided through the California Teleconnect Fund Administrative Committee Fund program set forth in subdivision (a) of Section 280.

(f) This section shall become operative on January 1, 2006.

Approved _____, 2007

Governor